

ST LOUIS COUNTY

2023 ASSESSMENT REPORT



ST. LOUIS COUNTY ASSESSOR'S OFFICE

Mary Garness, Public Records & Property Valuation Director

Dave Sipila, County Assessor

Ben Thomas, Deputy County Assessor

April 2023



PEOPLE FOCUS – INTEGRITY - STEWARDSHIP - FAIRNESS - INNOVATION

2023 ANNUAL PROPERTY ASSESSMENT REPORT INTRODUCTION

Minnesota law requires that all property (land, structures, and improvements) be valued at its market value. Assessors are required to determine the value of the land, the value of the structures and improvements to the land, and the resulting total market value. The “market value” used for property tax purposes is the “estimated market value,” or EMV which is the price a property would sell for under typical, normal, and competitive conditions. Simply put, assessors don’t create value, they follow the market. The most common method to determine EMVs is the comparable sales approach. Additional approaches used to determine value include the cost and income approaches. Market value is determined as of January 2.

The St. Louis County Assessor’s office uses a mass appraisal process for estimating market values. This system involves the analysis of sales that have taken place in each jurisdiction. The current study is comprised of all “open market” sales that occurred from October 1, 2021, through September 30, 2022. The sale prices are time and term adjusted, and they are matched with the 2023 estimated market value to calculate individual assessment ratios (EMV/Adjusted Sale Price). The Department of Revenue requires that median sales ratios fall within 90-105%. If median ratios fall below or above this threshold valuation adjustments are made.

The residential real estate market continues to be extremely robust throughout the County with strong appreciation due to increasing demand and a short supply of residential property within the market. The steep costs of construction also had a significant impact on the value of property. Because of these factors, among others, sales prices of homes throughout the County increased significantly.

“Simply put, assessors don’t create value they follow the market.”

St. Louis County Assessor’s staff have taken great care to capture market conditions as accurately, equally, and uniformly as possible in the assessment of properties throughout St. Louis County. A fair assessment across all properties and all jurisdictions is our top priority. To provide the utmost transparency into the data and processes utilized in creating the assessment, this summary report is being provided to share highlights of the latest assessment. For more information regarding our assessment process, please visit: www.stlouiscountymn.gov/departmentsa-z/assessor

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FREQUENTLY USED ABBREVIATIONS

Throughout this report, there are commonly used abbreviations. Below is an abbreviation guide:

ABBREVIATION	MEANING
C/I	Commercial and Industrial
COMM	Commercial
EMV	Estimated Market Value
HS	Homestead
IND	Industrial
LBAE	Local Board of Appeal and Equalization
NC	New Construction
NON-HS	Non-Homestead
RES	Residential
SRR	Seasonal Recreational Residential

COUNTY-WIDE SUMMARY DATA

The 2023 property assessment marks the eleventh year that St. Louis County had valuation increases across most major segments since the decline in 2012. While some growth was seen in almost all segments, it was exceptionally strong in the residential market.

Total growth in the 2023 assessed value of St. Louis County real property was \$2,384,738,700. The total assessed estimated market value of St. Louis County property for 2023, taxes payable 2024, is \$24,687,246,900 up from last year's \$22,302,508,200. The total change in EMV for the entire County is 10.69% which is quite significant.

COUNTY-WIDE ESTIMATED MARKET VALUE 2018-2023

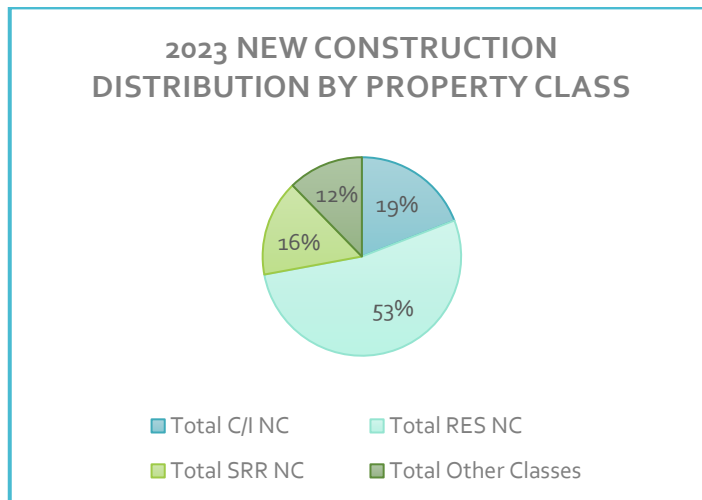
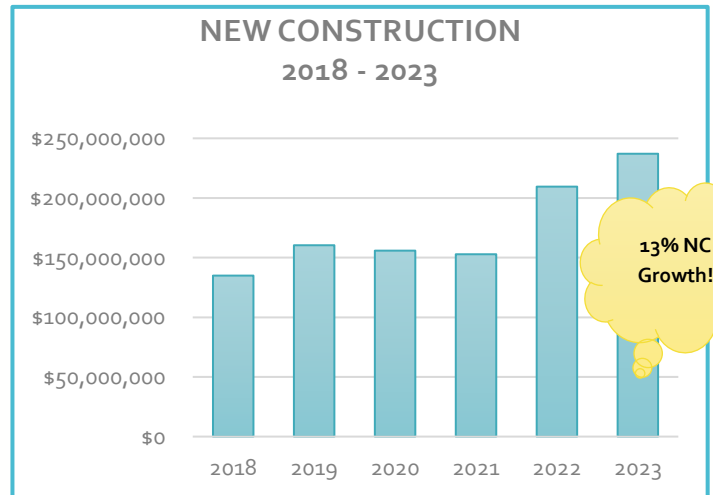
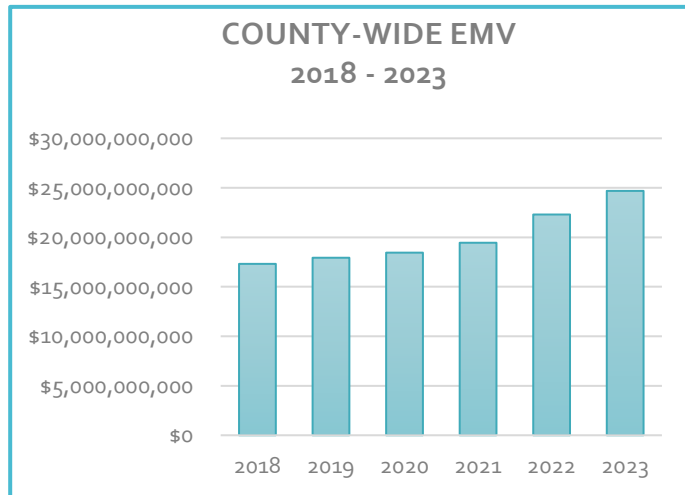
ESTIMATED MARKET VALUE						
	2018	2019	2020	2021	2022	2023
Total County EMV	\$17,315,658,000	\$17,934,559,340	\$18,449,168,400	\$19,449,254,300	\$22,302,508,200	\$24,687,246,900
\$ Change in EMV	\$709,594,838	\$618,901,340	\$514,609,060	\$1,000,085,900	\$2,853,253,900	\$2,384,738,700
% Change in Total County EMV:	4.27%	3.57%	2.87%	5.42%	14.67%	10.69%
Total County NC	\$134,938,788	\$160,381,367	\$155,861,116	\$152,828,592	\$209,508,442	\$237,076,602
% Change in Total County NC:	-21.45%	18.85%	-2.82%	-1.95%	37.09%	13.16%



The total countywide increase in market value of \$2,384,738,700 included \$237,076,602 of value from new construction. The largest valuation change was in the residential/seasonal residential recreational classes with a total value increase of \$1,926,060,872 or 80.77% of the total value increase for the entirety of the County.

COUNTY-WIDE NEW CONSTRUCTION 2018 – 2023

NEW CONSTRUCTION						
	2018	2019	2020	2021	2022	2023
Total C/I NC	\$19,686,988	\$30,760,400	\$30,059,900	\$33,100,900	\$35,540,550	\$45,281,700
C/I NC % of Total:	14.59%	19.18%	19.29%	21.66%	16.96%	27.41%
Total RES NC	\$77,732,500	\$79,308,467	\$79,190,116	\$78,623,972	\$91,320,692	\$125,611,202
RES NC % of Total:	57.61%	49.45%	50.81%	51.45%	43.59%	37.55%
Total SRR NC	\$17,070,500	\$19,280,100	\$24,251,100	\$25,404,520	\$26,873,700	\$37,028,000
SRR NC % of Total:	12.65%	12.02%	15.56%	16.62%	12.83%	37.79%
Total Other Classes	\$20,448,800	\$31,032,400	\$22,360,000	\$15,699,200	\$55,773,500	\$29,155,700
All Other Classes % of Total	15.15%	19.35%	14.35%	10.27%	26.62%	-47.72%
Total County NC:	\$134,938,788	\$160,381,367	\$155,861,116	\$152,828,592	\$209,508,442	\$237,076,602
% Change in Total County NC:	-21.45%	18.85%	-2.82%	-1.95%	37.09%	13.16%

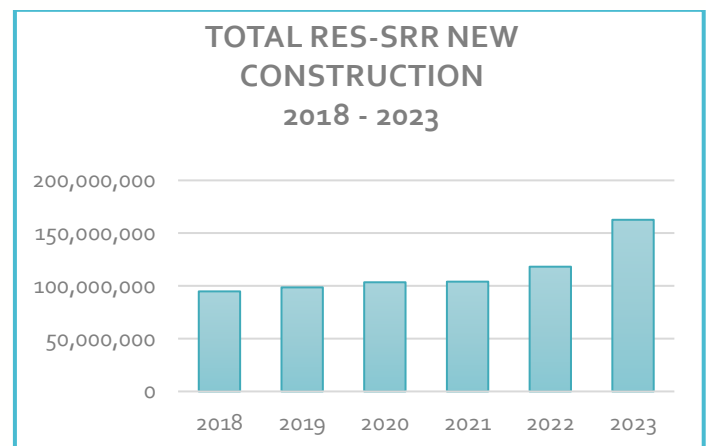
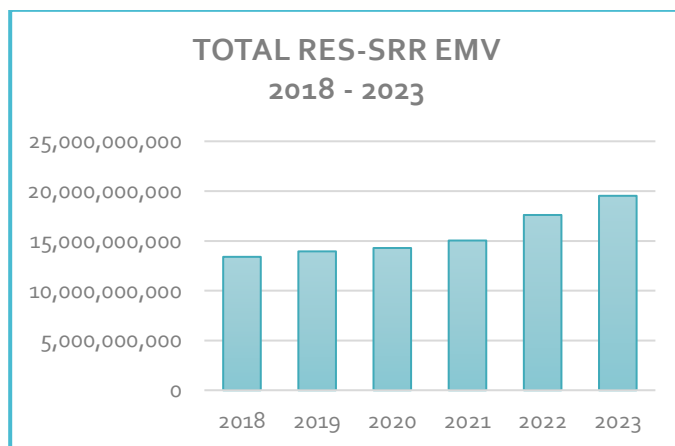


The St. Louis County 2023 property assessment mirrored the changes observed in the real estate market from October 1, 2021, through September 30, 2022. Changes in the area's growth rate and market values were impacted by national and regional trends but also fluctuated from these tendencies according to local market conditions. Some properties experienced decreases while others had increases in market value. These differences were attributable to several factors, such as new construction/renovations, correction of inaccurate/incomplete information uncovered during revaluation inspections, strong local market activity, and changes made to equalize property assessments after applying technological resources to identify patterns of under and over assessment. In the end, the market values reported reflect the assessment levels and measurements of uniformity resulting in a more equalized assessment.

Total growth in the 2023 Residential property assessed estimated market value (Residential and Seasonal/Recreational) was \$1,926,060,872 which is 10.94% above the 2022 assessed estimated market valuation. As noted above, the valuation increase in this segment equates to 80.77% of the total assessed estimated market value growth for 2023. New residential and seasonal/recreational construction totaled \$162,639,202 in this segment which is 68.60% of total new construction (\$237,076,602).

COUNTY-WIDE RESIDENTIAL EMV 2018-2023

	2018	2019	2020	2021	2022	2023
RES HS EMV	9,489,606,479	9,901,586,593	10,116,129,582	10,627,627,602	12,352,171,479	13,668,034,533
RES HS NC EMV	45,226,341	40,540,873	37,206,205	39,525,015	47,228,570	65,216,927
RES Non-HS EMV	1,973,226,529	2,057,269,274	2,132,615,582	2,265,616,610	2,756,739,778	3,104,558,596
RES Non-HS NC EMV	32,506,159	38,767,594	41,983,911	39,098,957	44,092,122	60,394,275
SRR EMV	1,933,637,800	1,986,221,300	2,035,165,000	2,142,324,300	2,490,566,900	2,752,945,900
SRR NC EMV	17,070,500	19,280,100	24,251,100	25,404,520	26,873,700	37,028,000
Total RES SRR EMV	13,396,470,808	13,945,077,167	14,283,910,164	15,035,568,512	17,599,478,157	19,525,539,029
Total RES SRR NC	94,803,000	98,588,567	103,441,216	104,028,492	118,194,392	162,639,202



ASSESSMENT SALES RATIO

The 2023 assessment sales ratio study is performed on several different property classes. It helps the assessor in evaluating the level and quality of the assessment and provides directions to address valuation changes for the 2023 assessment. The Minnesota Department of Revenue's Property Tax Division also uses this analysis to identify areas of concern and will make adjustments at the State Board of Equalization level if assessment levels do not meet State guidelines. St. Louis County has met or exceeded all guidelines established by the MNDOR.

The current study is comprised of all "open market" sales that occurred from October 1, 2021, through September 30, 2022. The sale prices are time and term adjusted, and they are matched with the 2023 estimated market value to calculate individual assessment ratios (EMV/Adjusted Sale Price). These ratios are collectively summarized as a group by property type for each district reporting sales ratios. The "middle" value of the data set, known as the median ratio, is the statistic used to describe the overall assessment level. Acceptable median sales ratios are within the range of 90 to 105%.

COUNTY-WIDE 2023 SALES RATIO SUMMARY

PROPERTY TYPE	MEDIAN			
	MEDIAN RATIO	# OF SALES	EMV	PRICE
COMBINED RES & SRR (with buildings)	93.20	2,490	\$200,950	\$219,943
APARTMENT (4 or more units)	93.20	32	\$376,400	\$442,500
COMMERCIAL (with buildings)	93.50	85	\$276,800	\$325,100
COMBINED ALL PROPERTY TYPES	93.10	3,053	\$181,200	\$199,676



OTHER INDICATORS OF ASSESSMENT QUALITY

COEFFICIENT OF DISPERSION (COD): Coefficients of dispersion measure the uniformity of assessment (how close individual appraisals are to the median ratio and each other). It is expressed as a percentage of the median. A smaller COD indicates more uniform assessment. Ideally, residential property should have a COD of less than 15% and nonresidential property 20% or less.

PRICE -RELATED DIFFERENTIAL (PRD): The price-related differential (PRD) measures the regressivity or progressivity of assessments. Regressive appraisals occur when high-value properties are under-appraised relative to low-value properties. Progressive appraisals occur when the opposite pattern occurs. Price-related differentials above 1.03 tend to indicate assessment regressivity. Price-related differentials below 0.98 tend to indicate assessment progressivity.

COUNTY-WIDE 2023 COD & PRD DATA

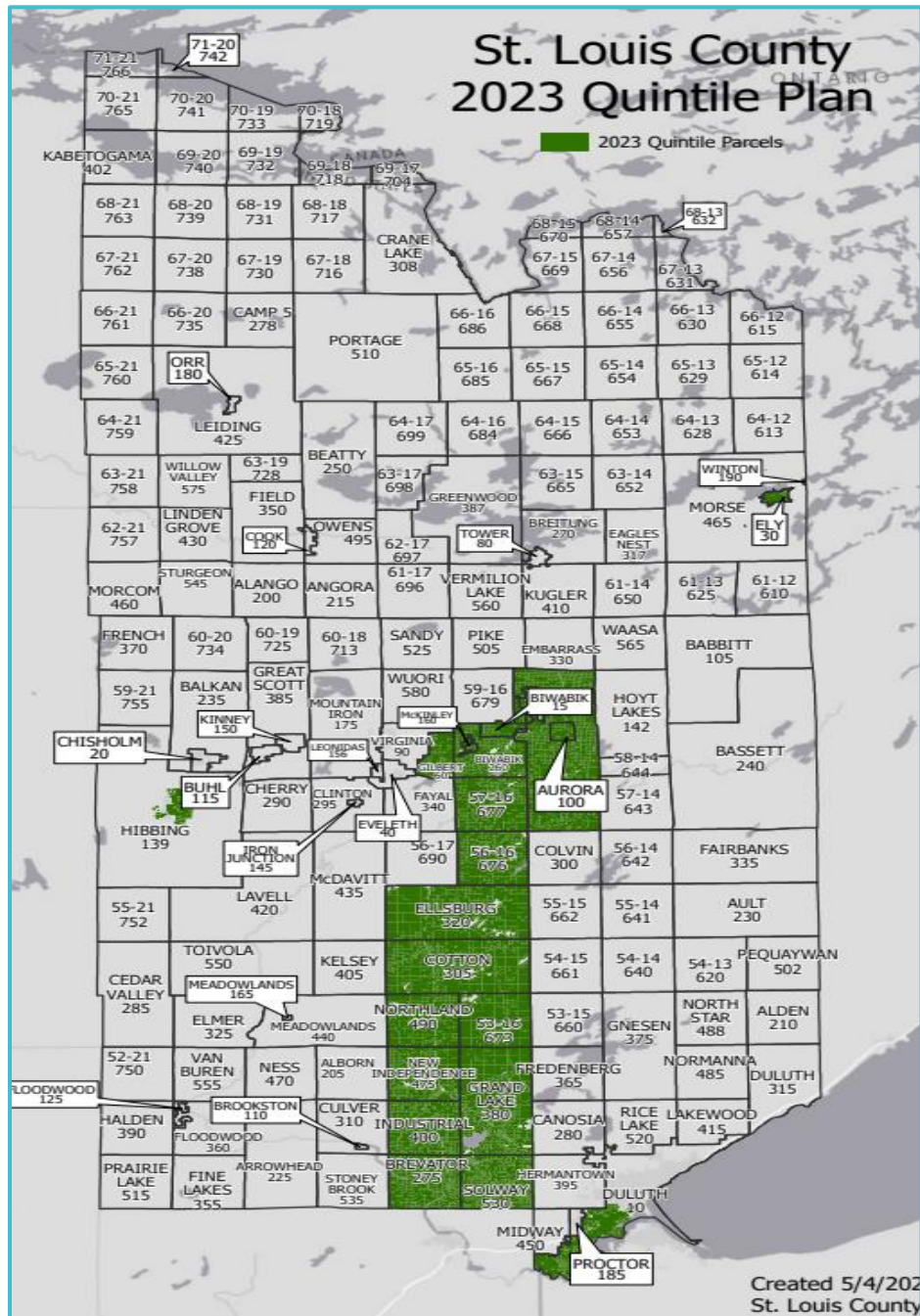
PROPERTY TYPE	COD	PRD	# OF SALES
COMBINED RES & SRR (with buildings)	13.50	1.03	2,490
APARTMENT (4 or more units)	13.80	.95	32
COMMERCIAL (with buildings)	15.70	1.02	85
COMBINED ALL PROPERTY TYPES	15.08	1.03	3,053

Note: The Department of Revenue only considers measurements significant when there are thirty or more sales in the study.



COUNTY-WIDE 2023 REASSESSMENT AREAS

The Assessor's office completed reassessment in several areas throughout the County which resulted in value adjustments for the 2023 assessment, taxes payable 2024. The following map denotes green areas throughout the County that were reassessed.



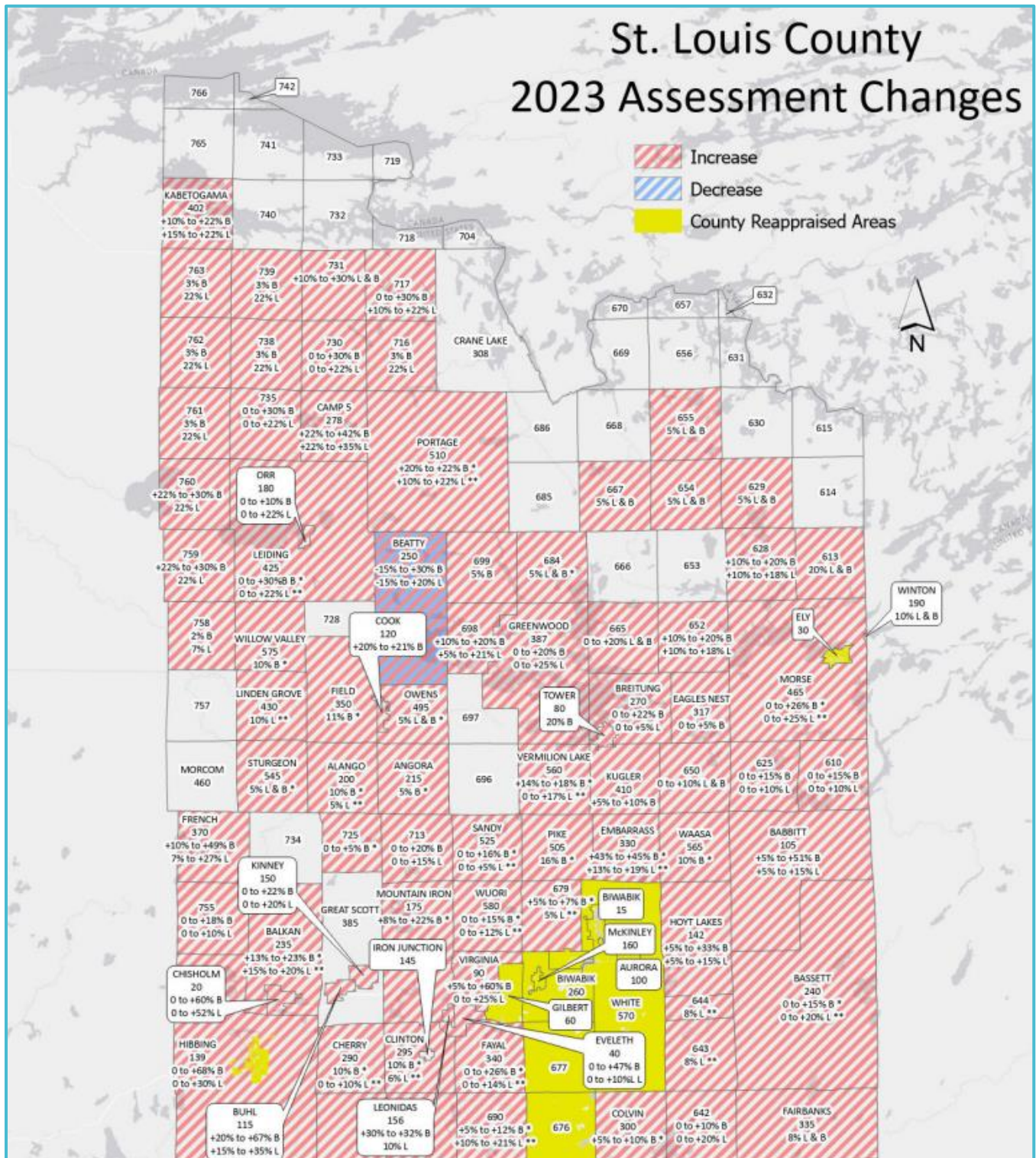
The chart below depicts value changes for reassessment areas only, which provides the number of parcels within each jurisdiction that have changes in valuation:

COUNTY-WIDE 2023 REASSESSMENT SUMMARY

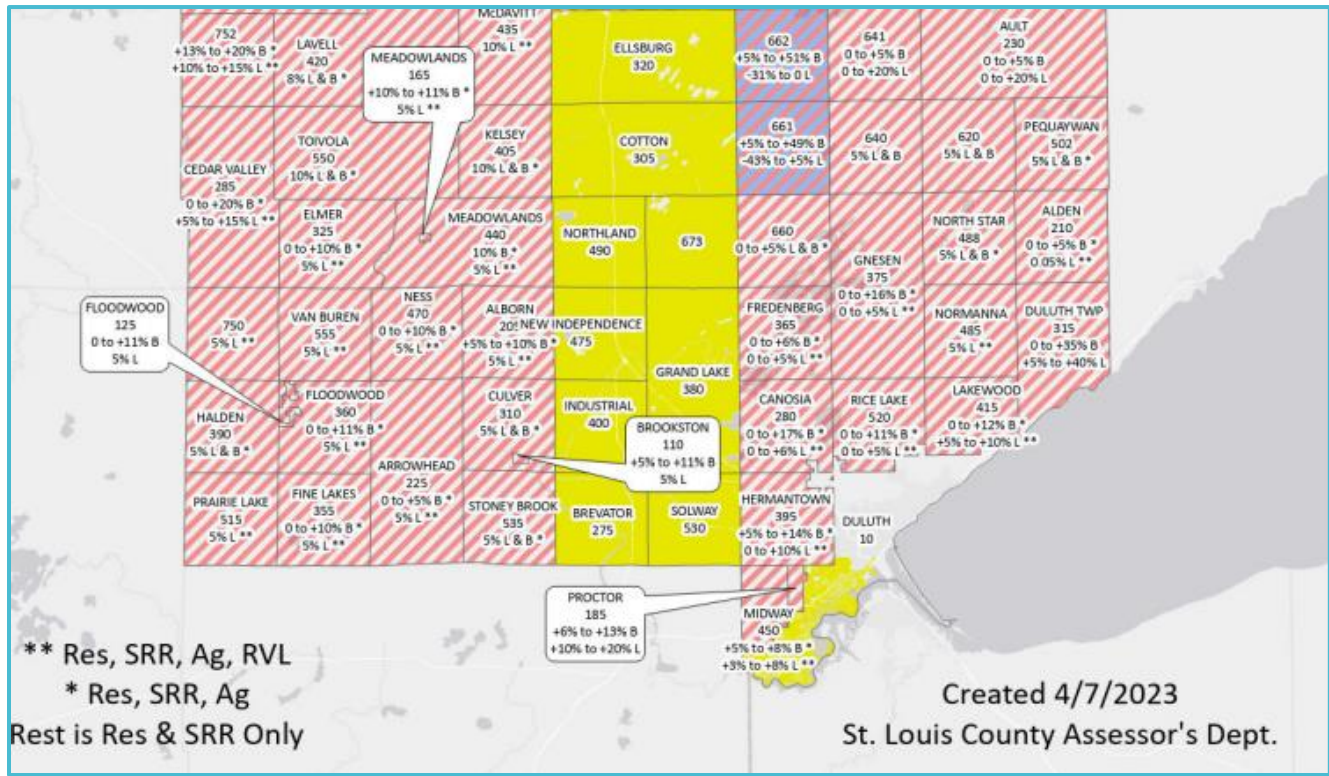
2023 Reassessment Areas	Decreased		No Change		Increased		Total % Change in Value
CVT	Number	Percent	Number	Percent	Number	Percent	
Unorg 2 - Three Lakes	211	77%	21	8%	42	15%	-5%
Cotton	348	35%	16	2%	617	63%	2%
Northland	198	60%	3	1%	127	39%	4%
Grand Lake	688	33%	65	3%	1,335	64%	6%
Industrial	246	32%	10	1%	520	67%	6%
Solway	463	35%	3	0%	863	65%	6%
Biwabik Township	175	20%	63	7%	635	73%	7%
New Independence	93	18%	8	2%	406	80%	9%
Brevator	83	11%	15	2%	655	87%	9%
Ellsburg	515	57%	89	10%	302	33%	9%
White	243	11%	135	6%	1,864	83%	10%
City of Duluth (RES quintile)	1,140	18%	72	1%	5,045	81%	11%
McKinley	10	3%	4	1%	338	96%	12%
Gilbert	94	8%	44	4%	1,028	88%	14%
Hibbing (quintile)	243	8%	190	6%	2,549	85%	15%
Ely	208	9%	56	3%	1,948	88%	15%
Unorg 6 - Biwabik (quintile)	31	4%	22	3%	741	93%	15%
Unorg 5 - Central Lakes (quintile)	38	6%	17	3%	534	91%	16%
Aurora	138	11%	310	25%	817	65%	18%
City of Duluth (C/I quintile)	100	20%	64	13%	342	68%	19%
Biwabik	104	9%	45	4%	1,030	87%	19%



St. Louis County 2023 Assessment Changes



St. Louis County 2023 Assessment Changes – Continued from Previous Page



APARTMENT RE-VALUATION USING THE INCOME APPROACH

In 2020, the Assessor's office began the process of re-valuation for apartments within the City of Duluth using the income approach to valuation. The income approach to valuation can provide a more accurate EMV, particularly for those properties that generate income or rents. Income and rent information are gathered to determine the present value of the future benefits of ownership with the goal being to analyze cash flow and then determine value based on rate of return (or capitalization rate). For the 2023 assessment, the income approach has been applied to structures classified as apartments in the Hermantown, Proctor, and Rice Lake jurisdictions.

As part of the information gathering phase of this process, surveys were sent out to apartment owners asking for detailed information related to cash flows and expenses. The following information is the result of the survey of income and expense data for apartment buildings of four or more units, supplemented with additional advertised rent found on-line. The information in the chart below was used to assist in calculating apartment EMV for 2023:

AVERAGE RENTS USED FOR INCOME APPROACH TO VALUATION

2023 Rents	Studio	1 bdrm	2 bdrm	3 bdrm	4 bdrm	Exp Ratio	Cap rate	V&C loss
Class A	\$1,280	\$1,675	\$2,215	\$2,700	\$3,268	35.00%	5.25%	4%
Class B	\$869	\$1,169	\$1,446	\$1,826	\$2,119	37.50%	7.25%	5%
Class C	\$734	\$869	\$1,053	\$1,238	\$1,530	40.00%	7.75%	5%
Class D	\$608	\$720	\$810	\$945	\$1,080	42.50%	8.25%	5%

The following information represents overall EMV changes to properties that are classified as apartments in the Hermantown, Proctor, and Rice Lake jurisdictions after application of the income approach to valuation.

2023 APARTMENT REAPPRAISAL – HERMANTOWN, PROCTOR, AND RICE LAKE

Jurisdiction	2022 Land	2022 Bldg	2022 EMV	2023 Land	2023 Bldg	2023 EMV	2023 NC	Change	% Change
Rice Lake	141,000	2,642,100	2,783,100	146,300	4,956,600	5,102,900	1,948,100	2,319,800	83.35%
Hermantown	3,909,700	89,530,800	93,440,500	3,914,200	118,098,200	122,012,400	0	28,571,900	30.58%
Proctor	1,334,700	14,440,800	15,775,500	1,289,700	17,471,900	18,761,600	0	2,986,100	18.93%



The following information represents overall EMV changes to properties that are classified as apartments in the City of Duluth after application of the income approach to valuation. This summary is categorized by major neighborhood.

2023 APARTMENT REAPPRAISAL – CITY OF DULUTH

Neighborhood	2022 Land	2022 Bldg	2022 EMV	2023 Land	2023 Bldg	2023 EMV	2023 NC	Change	%Change
Central East	2,880,200	37,702,800	40,583,000	3,195,400	42,656,200	45,851,600	0	5,268,600	12.98%
Central West	4,144,800	37,410,200	41,555,000	4,283,600	48,137,300	52,420,900	7,450,700	10,865,900	26.15%
Central	8,788,800	138,355,700	147,144,500	9,779,400	165,943,600	175,723,000	573,800	28,578,500	19.42%
Duluth Heights	3,607,600	169,306,900	172,914,500	3,815,800	182,313,000	186,128,800	5,387,000	13,214,300	7.64%
Downtown Business District	19,548,800	112,517,700	132,066,500	23,812,100	140,655,200	164,467,300	7,465,700	32,400,800	24.53%
East Duluth	4,042,400	104,362,000	108,404,400	4,117,900	122,880,900	126,998,800	0	18,594,400	17.15%
London	2,783,000	29,553,500	32,336,500	2,861,800	34,063,600	36,925,400	0	4,588,900	14.19%
Mall	4,924,500	96,174,200	101,098,700	5,057,100	116,121,800	121,178,900	4,546,000	20,080,200	19.86%
Park Point	762,600	12,344,200	13,106,800	923,600	15,000,100	15,923,700	0	2,816,900	21.49%
West Duluth	1,303,900	58,739,700	60,043,600	1,447,800	63,432,500	64,880,300	0	4,836,700	8.06%

CITY OF DULUTH SUMMARY DATA

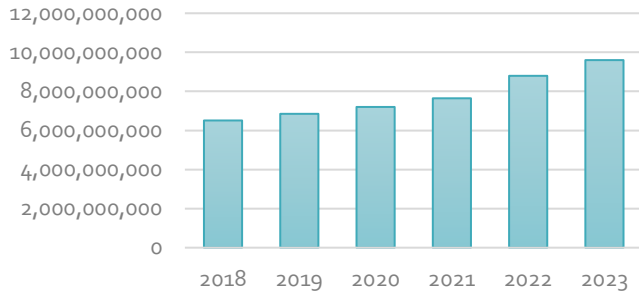
Total growth in the City of Duluth 2023 assessed market value of real property was \$804,952,900. The total assessed estimated market value of property for 2023, taxes payable 2024, is \$9,601,822,700 up from last year's \$8,796,869,800. The total assessed market value equates to 38.89% of the total St. Louis County assessed market value. The total City of Duluth increase in market value of \$804,952,900 includes \$78,896,600 of value from new construction.

CITY OF DULUTH ESTIMATED MARKET VALUE 2018-2023

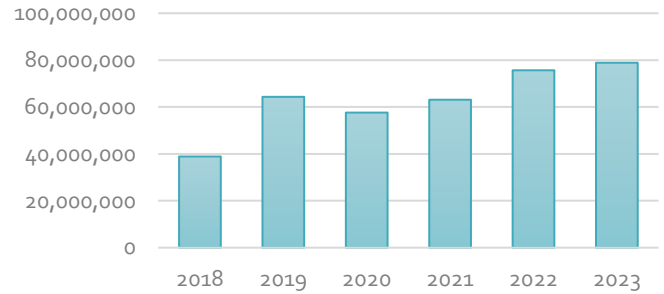
	2018	2019	2020	2021	2022	2023
Total City EMV	6,511,084,400	6,851,380,140	7,203,169,100	7,646,743,100	8,796,869,800	9,601,822,700
% Change in Total City EMV:	6.24%	5.23%	5.13%	6.16%	15.04%	9.15%
Total City NC:	38,891,200	64,346,000	57,621,562	63,108,694	75,670,100	78,896,600
Total C/I NC	8,415,000	19,482,700	20,433,300	30,123,500	20,091,150	25,941,900
C/I NC % of Total:	0.13%	0.28%	0.28%	0.39%	0.23%	32.88%
% Change in Total City NC:	-45.16%	65.45%	-10.45%	9.52%	19.90%	4.26%



**CITY OF DULUTH
TOTAL CITY EMV
2018 - 2023**



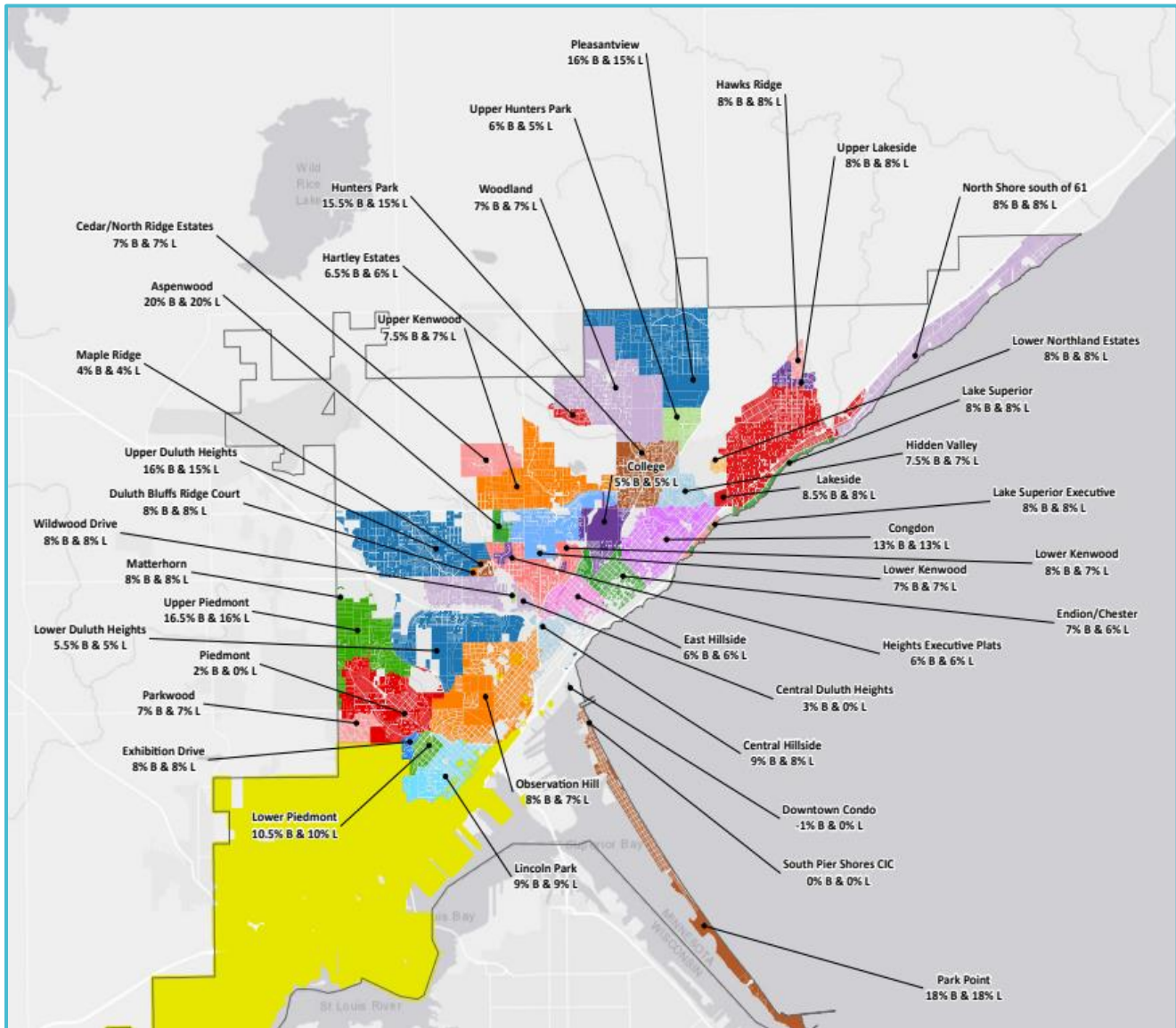
**CITY OF DULUTH
NEW CONSTRUCTION
2018 - 2023**



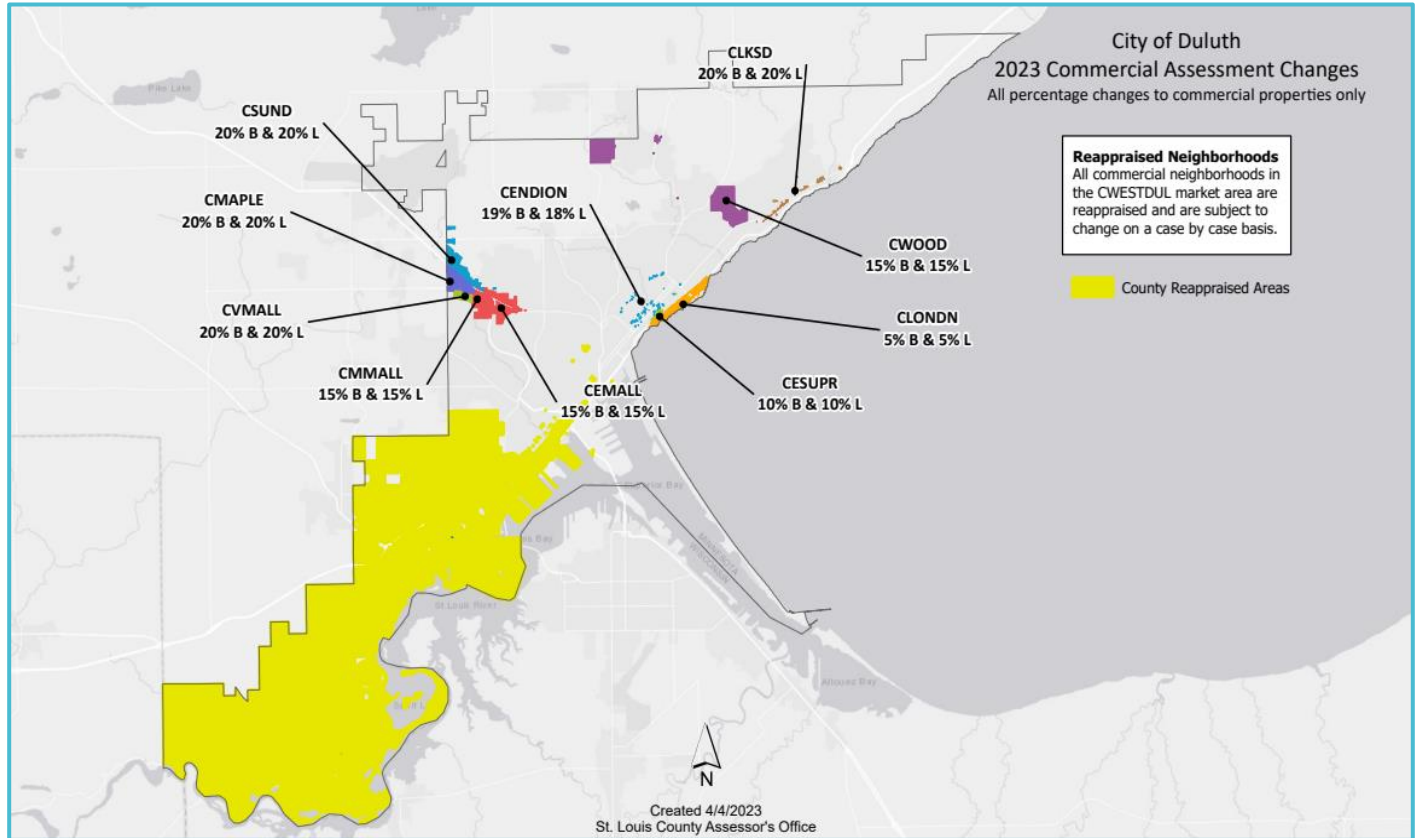
CITY OF DULUTH 2023 REASSESSMENT AREAS

The Assessor's office completed reassessment of several areas in the City of Duluth for the 2023 assessment, for taxes payable in 2024. Reappraised neighborhoods include the following: Wheeler, Denfeld, Ramsey, Bayview Heights, Rural Proctor, Cody, Zoo East, Irving, East of Central Ave., East of Spirit Mt., Proctor, South of Becks Rd, West of Central Ave., West of Spirit Mt., Zoo Area, East Proctor, Indian Point, Norton Park, Spirit Cove, Riverside, Bay Hill CIC #107, Skyline West, Smithville, Morgan Park, Morgan Park Newer Plats, Gary, New Duluth, River Place CIC #32, St. Louis River & Perch Lake, Fond du Lac.

CITY OF DULUTH 2023 RESIDENTIAL ASSESSMENT CHANGES



CITY OF DULUTH 2023 COMMERCIAL ASSESSMENT CHANGES



CITY OF DULUTH - ASSESSMENT SALES RATIO

The current study is comprised of all “open market” sales that occurred from October 1, 2021, through September 30, 2022. The sale prices are time and term adjusted, and they are matched with the 2023 estimated market value to calculate individual assessment ratios (EMV/Adjusted Sale Price). These ratios are collectively summarized as a group by property type for each district reporting sales ratios. The “middle” value of the data set, known as the median ratio, is the statistic used to describe the overall assessment level. Acceptable median sales ratios are within the range of 90 to 105%.

CITY OF DULUTH – 2023 SALES RATIO STUDY

PROPERTY TYPE	MEDIAN RATIO	# OF SALES	MEDIAN	
			EMV	PRICE
COMBINED RES & SRR (with buildings)	93.20%	1107	236,400	255,089
APARTMENT (4 or more units)	96.70%	22	459,450	491,950
COMMERCIAL (with buildings)	93.50%	39	460,800	475,000



CITY OF DULUTH - OTHER INDICATORS OF ASSESSMENT QUALITY

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PRICE -RELATED DIFFERENTIAL (PRD): The price-related differential (PRD) measures the regressivity or progressivity of assessments. Regressive appraisals occur when high-value properties are under-appraised relative to low-value properties. Progressive appraisals occur when the opposite pattern occurs. Price-related differentials above 1.03 tend to indicate assessment regressivity. Price-related differentials below 0.98 tend to indicate assessment progressivity.

CITY OF DULUTH - 2023 COD & PRD DATA

PROPERTY TYPE	COD	PRD	# OF SALES
APARTMENTS (4 or more units)	9.10	.96	25
COMMERCIAL (with buildings)	18.8	.92	35
COMBINED RES & SRR (with buildings) (PTs 1 & 3)	10.8	1.02	1,336

Note: The Department of Revenue only considers measurements significant when there are thirty or more sales in the study.

ADDITIONAL 2023 COUNTY-WIDE FOCUS AREAS AND NOTEABLE ITEMS

CLASSIFICATION OF SHORT-TERM RENTAL PROPERTIES

As part of a bill passed during the fifth special session (2021), the legislature added language classifying certain properties used as short-term residential rentals as 4b (1) (Minnesota Statute, section 273.13, subdivision 25). This will result in a higher tax classification for properties determined to be short-term rentals (higher rate than residential but lower than commercial). The new law defines a qualifying short-term rental property as:

- Rented for periods of less than 30 consecutive days
- Containing fewer than four units
- Rented for more than 14 days in the preceding year
- Nonhomesteaded
- Starting with assessment 2021, a property is determined to be a short-term rental property if it was rented for more than 14 days in the previous year. Properties that meet this number of days requirement as well as the requirements listed above may be reclassified to 4b (1).



PERSONAL PROPERTY CONTINUOUS IMPROVEMENT PROJECT

As part of our continuous improvement emphasis, in 2020 the assessor's team began the process of working through a continuous improve process (CI) to improve the way that we process, manage, and track personal property accounts providing for an equitable and consistent methodology moving forward. The auditor and land departments participated in this process as well. The CI process identified gaps in information, and we have identified personal property that will be taxable moving forward and revisions have been made accordingly.

- *For leases held for a term of at least one year*, MN Statutes, section 273.18, provides that the use of property that is exempt based on ownership by the federal, state, or local government is taxable to the person who uses the property as if they owned it. Statute does not differentiate between exclusive use by the lessee, or a lease that stipulates the public's continued right to use that portion of the exempt property. Examples where this situation may arise:
 - A public entity has leased a portion of otherwise exempt land to an individual for use as a driveway.
 - Airport property owned by a city, town, or county which is leased or used by a person or entity or used as a hangar for the storage or repair of aircraft.
- *Exempt property used by a private entity for profit*, MN Statutes, section 272.01(2), provides that when any real or personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax to the same extent as though the lessee or user was the owner of such property. Examples where this situation may arise:
 - Lease of space within a church or other non-profit type entity to an individual or business entity.
 - Public land leased by a mining company.

ASSESSOR'S DIVISION – TIMELY, UNIFORM, FAIR

The St. Louis County Assessor's Division services the taxpayers of the county by classifying and valuing real estate property in an accurate, ethical, equitable and defensible manner as prescribed by state law. Information is provided and analysis to internal and external partners including elected officials, county departments, school districts, the Minnesota Department of Revenue, taxpayers, neighborhood/user groups, and the media.

Our division mission helps us to solidify our values and guides our assessment process: "We value people and property by creating a timely, uniform, and fair assessment process while delivering exceptional and professional public service with integrity and respect for the people we serve."



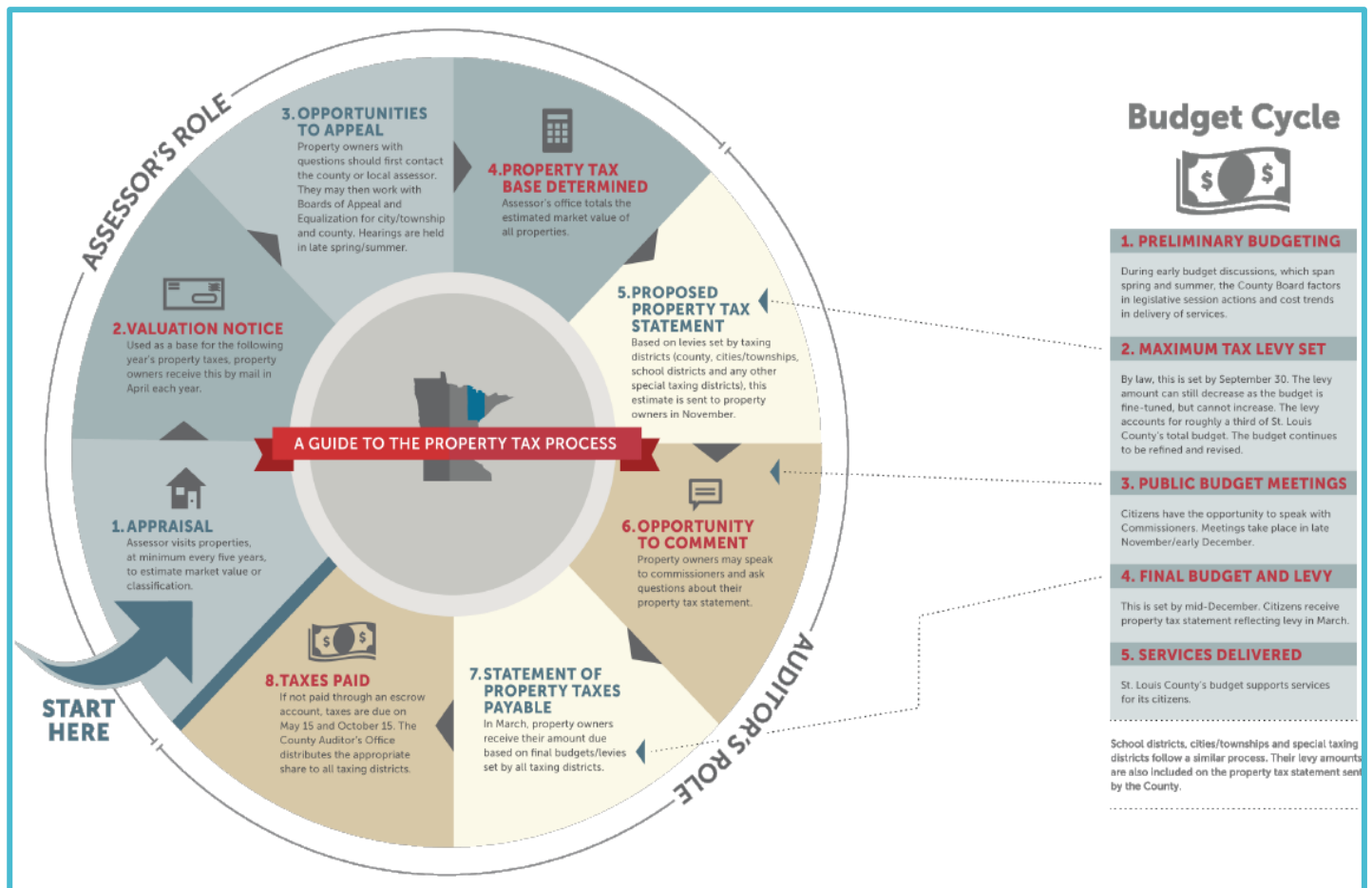
KEY RESPONSIBILITIES

Reappraisal and Maintenance	Database Management & Reporting	Notification & Appeals	Assessment Administration
The yearly classification and valuation of taxable real and personal property as prescribed by state law. Assessor's staff inspect and value county-assessed taxable parcels at least once every five years and inspect and update property records for all new construction and significant remodeling modifications or demolition on a yearly basis.	The collection, verification, and maintenance of property records for St. Louis County. Staff also develop and maintain queries that provide county staff and other users with requested data and respond to public requests for information, education, and services. The division also provides all reports mandated by the state legislature and Minnesota Department of Revenue.	The preparation and mailing of notices of assessment changes to all county taxpayers each year, as prescribed by state law. Staff responds to all informal and formal taxpayer appeals and requests for property reviews and defend assessment values and classifications at local and county boards of appeal and equalization, as well as in Minnesota Tax Court.	Administration and enforcement of all special property tax programs and laws, along with the planning, programming, and budgeting for annual operations of the Assessor's Division. This includes the recruitment and training of new personnel. The staff also attend Department of Revenue assessment level review meetings.



ASSESSMENT CYCLE

The following chart helps to depict the assessment process in more detail as well as the interconnectedness with the County budgetary and taxation processes:



This chart can also be found at: <https://www.stlouiscountymn.gov/departments-a-z/assessor/assessment-process>

APPRAISAL PROCESS/ESTIMATED MARKET VALUATION NOTICES (STEPS 1-2)

The Assessor's office is responsible for determining the estimated market value of a piece of property. In other words, this is an estimate of how much a property would sell for in the open market. The estimated market value is used to determine a property owner's share of property taxes. As provided in state statute, sales of properties between October 1, 2020, and September 20, 2021, are used to set values for the 2022 assessment for taxes payable in 2023. Market value is determined by sales of other properties and not solely based on what has been done to improve a property. In determining a property's valuation, we look to determine what a willing and knowledgeable buyer would pay for a piece of property if it were offered for sale in the open market. Assessors do not create value; they interpret what is happening in the marketplace.



The impact of strong demand and a short supply of residential property in our region directly affects the value of all comparable residential property and has resulted in a significant increase in home values for the 2022 assessment. Not all values have changed by the same percentage, as factors such as location, access to utilities, quality of construction, age, and lake frontage have a significant influence on salability. This is the situation throughout our region, not just in St. Louis County.

OPPORTUNITIES TO APPEAL VALUATION (STEP 3)

In Minnesota, the assumption is that the assessor has properly valued and classified all property in the township or city. It is the property owner's responsibility to present market and/or factual evidence to the local board to disprove the assessment and support a value or classification that is different than that opined by the assessor. If a property owner has questions or disagrees with the classification or Estimated Market Value of the property for the current year, contacting the Assessor's Office first to discuss concerns or questions is the best first avenue. In many situations issues can be resolved at this level. To find contact information, please visit: www.stlouiscountymn.gov/departments-a-z/assessor/contact-your-assessor.

If, however issues are not resolved, there are two avenues of appeal that property owners may take to challenge their assessment:

Option 1: Attend a Local Meeting. A resident may appear before the Boards of Appeal and Equalization/Open Book in person, through a letter or through a representative authorized.

- Local Board of Appeal and Equalization/Open Book. If questions or concerns are not resolved by contacting the Assessor's Office, a resident may appear before the Local Board of Appeal and Equalization (LBAE) or attend an Open Book Meeting.
 - Information on local board of appeal schedules can be found here: www.stlouiscountymn.gov/departments-a-z/assessor/2022-local-board-ofappeal-and-equalization-meetings
- County Board of Appeal and Equalization. To appeal at this level, an appeal must first be made at the LBAE. If the LBAE did not resolve the concern, the case can be brought to the County Board of Appeal and Equalization.

Option 2: Minnesota Tax Court. This option bypasses both the Local and County Boards of Appeal, or it may be used after the other appeals. Petitions to the Minnesota Tax Court must be filed on or before April 30 of the year of the year the tax becomes payable.



PROPERTY TAX BASE DETERMINED (STEP 4)

After the conclusion of the County Board of Appeal meetings, total estimated market values are determined for all properties within St. Louis County. As noted above, the estimated market value is used to determine a property owner's share of property taxes. The estimated market value is adjusted for any deferments, exclusions, or reductions to determine the taxable market value of a property. Various programs help to reduce property taxes for various types of properties and a property owner must qualify for each type of credit or exclusion. Some examples include the following:

- Homestead Market Value Exclusion
- Market Value Exclusion for a Veteran with a Disability
- Agricultural Homestead Market Value Credit

Because each property owner's situation is unique, and various exclusions may be available for some property owners vs. others, making comparisons regarding market valuation and/or tax impacts/rates can be challenging unless a comparison is made between like properties in the same jurisdiction, neighborhood, and with the same general characteristics.

PROPOSED TAX STATEMENT & BUDGET DEVELOPMENT PROCESS (STEPS 5-8)

The remaining four steps within the property tax process are all procedurally associated with the adoption of the annual property tax levy by the County Board in December of each year. As noted, the County Board typically holds a public meeting on or around December 1 of each year to present the annual operating budget and accept questions and comments from the public prior to the adoption of the annual levy later in December.

QUESTIONS/CONCERNS

- Any questions or concerns should be referred to the County Assessor's staff. We are available to discuss these properties and the valuation methodology with taxpayers and other stakeholders. Information on sales is available from the Assessor's office.
- Taxpayers are welcome to share independent appraisals, income and expense data, or any other data that may provide an indication of the value of their property. We are happy to work with property owners that can provide information that could be helpful in determining a more accurate EMV.
- For more information, please visit: www.stlouiscountymn.gov/departments-a-z/assessor

